

## **§ 3107.1**

corporation to the surviving corporation is accomplished by operation of law, no transfer of any affected lease interest is required. A notification of the merger shall be furnished with a list, by serial number, of all lease interests affected. Include the processing fee for corporate merger found in the fee schedule in § 3000.12 of this chapter with your notification of a corporate merger. A bond rider or replacement bond conditioned to cover the obligations of all affected corporations may be required by the authorized officer as a prerequisite to recognition of the merger.

[53 FR 17355, May 16, 1988, as amended at 70 FR 58874, Oct. 7, 2005]

### **Subpart 3107—Continuation, Extension or Renewal**

#### **§ 3107.1 Extension by drilling.**

Any lease on which actual drilling operations were commenced prior to the end of its primary term and are being diligently prosecuted at the end of the primary term or any lease which is part of an approved communitization agreement or cooperative or unit plan of development or operation upon which such drilling takes place, shall be extended for 2 years subject to the rental being timely paid as required by § 3103.2 of this title, and subject to the provisions of § 3105.2-3 and § 3186.1 of this title, if applicable. Actual drilling operations shall be conducted in a manner that anyone seriously looking for oil or gas could be expected to make in that particular area, given the existing knowledge of geologic and other pertinent facts. In drilling a new well on a lease or for the benefit of a lease under the terms of an approved agreement or plan, it shall be taken to a depth sufficient to penetrate at least 1 formation recognized in the area as potentially productive of oil or gas, or where an existing well is reentered, it shall be taken to a depth sufficient to penetrate at least 1 new and deeper formation recognized in the area as potentially productive of oil or gas. The authorized officer may determine that

## **43 CFR Ch. II (10–1–15 Edition)**

further drilling is unwarranted or impracticable.

[48 FR 33662, July 22, 1983, as amended at 49 FR 2113, Jan. 18, 1984; 53 FR 17357, May 16, 1988; 53 FR 22839, June 17, 1988]

#### **§ 3107.2 Production.**

##### **§ 3107.2–1 Continuation by production.**

A lease shall be extended so long as oil or gas is being produced in paying quantities.

##### **§ 3107.2–2 Cessation of production.**

A lease which is in its extended term because of production in paying quantities shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the leasehold are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 60-day period commences upon receipt of notification from the authorized officer that the lease is not capable of production in paying quantities.

[48 FR 33662, July 22, 1983, as amended at 53 FR 17357, May 16, 1988; 53 FR 22840, June 17, 1988]

##### **§ 3107.2–3 Leases capable of production.**

No lease for lands on which there is a well capable of producing oil or gas in paying quantities shall expire because the lessee fails to produce the same, unless the lessee fails to place the lease in production within a period of not less than 60 days as specified by the authorized officer after receipt of notice by certified mail from the authorized officer to do so. Such production shall be continued unless and until suspension of production is granted by the authorized officer.

[48 FR 33662, July 22, 1983, as amended at 53 FR 22840, June 17, 1988; 53 FR 31958, Aug. 22, 1988]

#### **§ 3107.3 Extension for terms of cooperative or unit plan.**

##### **§ 3107.3–1 Leases committed to plan.**

Any lease or portion of a lease, except as described in § 3107.3–3 of this title, committed to a cooperative or unit plan that contains a general provision for allocation of oil or gas shall